## Message Text

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PAGE 01 RABAT 03430 151721Z

44

**ACTION OPR-02** 

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P 151615Z JUL 75 FM AMEMBASSY RABAT TO SECSTATE WASHDC PRIORITY 5979 INFO AMCONSUL TANGIER

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DEPT FOR A/OS

E.O. 11652: N/A TAGS: ASCH MO

SUBJ: MOROCCAN BID TO PURCHASE LAND BELONGING TO AMERICAN SCHOOL OF TANGIER

BEGIN SUMMARY. THE MOROCCAN GOVERNMENT WISHES TO PURCHASE FOR CONSTRUCTION OF SCHOOL COMPLEX 30,000 SQUARE METERS OF PROPERTY OWNED BY THE AMERICAN SCHOOL OF TANGIER (AST). SINCE USG HAS 72 PER CENT EQUITY IN LAND DEPARTMENT'S PERMISSION TO NEGOTIATE IS REQUESTED. PRICE OFFERED IS CONSIDERABLY LESS THAN MARKET VALUE AND CONGEN WILL ATTEMPT GET BETTER OFFER. IF SUCCESSFUL, CONGEN BELIEVES LAND SHOULD BE SOLD TO MOROCCANS SINCE 1) SCHOOL FACILITIES FOR NEIGHBORHOOD CHILDREN ARE URGENTLY NEEDED, 2) ALTERNATE LAND IN VICINITY NOT AVAILABLE AND 3) LAND DESIRED IS CONSIDERABLE DISTANCE FROM AST BUILDINGS AND NOT NEEDED FOR FORESEEABLE AST REQUIREMENTS. END SUMMARY.

1. LOCAL MOROCCAN AUTHORITIES FIRST APPROACHED AST ON MAY 20 BY LETTER. PRICE OFFERED WAS ONLY 6 DIRHAMS (ABOUT \$1.50) PER SQUARE METER AND LETTER WAS MORE OR LESS IN FORM OF ULTIMATUM. LETTER ANSWERED MAY 23 BY MEANS OF NOTE FROM EMBASSY RABAT TO FOREIGN MINISTRY POINTING OUT USG EQUITY AND ASKING MOROCCANS TO FIND OTHER LAND FOR PROPOSED SCHOOL COMPLEX.

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PAGE 02 RABAT 03430 151721Z

2. NOTHING FURTHER WAS HEARD FROM THE MOROCCAN SIDE UNTIL

SATURDAY, JULY 5TH WHEN FLAGS SUDDENLY APPEARED ON A PORTION OF AST PROPERTY AND GOVERNOR SWEPT IN TO LAY CORNERSTONE OF SCHOOL COMPLEX. CONGEN ASKED FOR AND WAS GRANTED URGENT APPOINTMENT WITH GOVERNOR WHO CLAIMED HE DID NOT KNOW AST AND USG OWNED LAND AND PROMISED SCHOOL COMPLEX WOULD BE BUILT ELSEWHERE. HE NOTED HOWEVER THAT AST WOULD HAVE TO FENCE ITS LAND IN ORDER COMPLY WITH LOCAL REGULATIONS AND PREVENT FUTURE MISUNDERSTANDINGS WITH RESPECT TO OWNERSHIP.

3. ON JULY 11, HOWEVER, CONGEN RECEIVED PERSONAL PHONE CALL FROM GOVERNOR WHO SAID HE HAD BEEN SEARCHING FOR ANOTHER SITE AND HAD FOUND NOTHING THAT WOULD SERVE NEEDS OF CHILDREN IN NOW DENSELY POPULATED AREA SURROUNDING AST'S 04903456 PROPERTY. HE WONDERED IF WE COULD COME TO SOME TERMS. CONGEN SUGGESTED HE SEND REPRESENTATIVE TO CONSULATE WHICH HE DID SAME DAY. EXECUTIVE COMMITTEE OF AST BOARD OF TRUSTEES JOINED CONGEN FOR DISCUSSIONS WITH GOVERNOR'S REP. THE CONGEN STRESSED THAT DECISIONS ON SALE OF ANY AST PROPERTY RESTED WITH USG AND CONGEN AND EXECUTIVE COMMITTEE COULD ONLY EXPLORE MATTER WITH GOVERNOR'S REP.

HE SAID HE UNDERSTOOD BUT UNDERSCORED THE NEED FOR AN URGENT DECISION. THE NEIGHBORHOOD HAS GROWN SO RAPIDLY THAT LOCAL AUTHORITIES MUST GET A PRIMARY SCHOOL UP BY SEPTEMBER. AFTER SOME PUSHING ON PRICE HE ADMITTED HE COULD GO AS HIGH AS 10 DIRHAMS PER SQUARE METER BUT INSISTED HE HAD ONLY 300,000 DIRHAMS TO SPEND ON THE LAND. HE ALSO AGREED TO MOVE THE PROPOSED SITE OF SCHOOL TO THE FURTHER END OF AST PROPERTY (THE ORIGINAL LOCATION WOULD HAVE CUT AST PROPERTY IN TWO.)

4. WE ARE NOT HAPPY WITH THE HEAVY HANDED APPROACH OF THE LOCAL AUTHORITIES NOR DO WE THINK THE OFFER OF 10 DIRHAMS SATISFACTORY. ON THE OTHER HAND THE LAND IS NEEDED FOR THE PURPOSE INDICATED, ALTERNATE SITE IS NOT AVAILABLE AND AST DOES NOT NEED LAND IN QUESTION. CONGEN AND EXECUTIVE COMMITTEE OF AST BOARD OF TRUSTEES ARE THEREFORE DISPOSED TO SELL THE LAND IF A REASONABLE PRICE CAN BE OBTAINED. IN THIS REGARD, WE WOULD SUGGEST RESPONDING TO THE GOVERNOR THAT 10 DIRHAMS IS TOTALLY UNACCEPTABLE, THAT 30 DIRHAMS IS NEARER THE TRUE VALUE OF THE LAND BUT THAT IN VIEW OF THE PUBLIC USE TO WHICH THE LAND WILL BE PUT WE WILL ACCEPT 20 DIRHAMS. IF THE GOVERNOR CANNOT INCREASE THE AMOUNT APPROPLIMITED OFFICIAL USE

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PAGE 03 RABAT 03430 151721Z

RIATED FOR THE PURCHASE OF LAND, THEN WE WOULD SUGGEST HE PURCHASE 15,000 SQUARE METERS AT 20 DIRHAMS AND PERHAPS TAKE ONE YEAR OPTION TO PURCHASE THE OTHER 15,000 SQUARE METERS AT THE SAME PRICE, 15,000 SQUARE METERS WOULD BE MORE THAN ADEQUATE FOR SCHOOL CONSTRUCTION PLANNED FOR THIS YEAR. WE BELIEVE THIS IS A REASONABLE RESPONSE AND PROVIDES THE BASIS FOR AN ACCEPTABLE SETTLEMENT

5. THE DEPARTMENT'S PERMISSION IS REQUESTED TO PROCEED WITH NEGOTIATIONS ON THESE TERMS AND TO COMPLETE SALE OF THE LAND IF AGREEMENT REACHED. SINCE THE LOCAL AUTHORITIES WISH TO COMPLETE CONSTRUCTION BY SEPTEMBER, IT IS IMPORTANT THAT THE DEPARTMENT'S RESPONSE BE RECEIVED AS SOON AS POSSIBLE. THE PROCEEDS (LESS APPROXIMATELY \$15,000 NEEDED TO FENCE THE REMAINDER OF THE LAND) WILL BE PUT INTO A TRUST FUND IN WHICH USG WOULD HAVE SAME 72 PER CENT EQUITY AS IT HAS IN AST'S REAL PROPERTY. INCOME FROM THE TRUST FUND WOULD BE FOR THE SCHOOL'S USE. NEUMANN

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